



# NORTHEAST IDAHO

BONNEVILLE, BUTTE, CLARK, CUSTER, FREMONT, JEFFERSON, LEMHI, MADISON, & TETON COUNTIES

## LABOR FORCE AND EMPLOYMENT

Despite a slowing economy still struggling from the effects of the September 11 terrorist attacks and the national recession, the Bonneville Labor Market Area (LMA) still experienced growth during 2002. As seen in Northeast Table 1, the projected annual average unemployment rate in 2002 was down one-tenth of a percentage point from 2001 to 3.7 percent, but the *Civilian Labor Force* grew by 3.2 percent, an increase of 2,520 people. The number of unemployed increased by 20 people while *Total Employment* increased by 2,590.

It is encouraging to note that growth continues to take place in the area. The unemployment rate in Bonneville and Jefferson Counties also remained unchanged from 2001 to 2002, while Bingham County decreased four-tenths of a percentage point and Butte County decreased one-tenth of a percentage point. Idaho Falls, the largest city in the LMA and in Northeast Idaho, experienced an increase of one-tenth of a percentage point in the unemployment rate in 2002 compared to 2001. This was not surprising as many professionals previously laid off from the Idaho National Engineering and Environmental Laboratory's (INEEL's) main contractor, Bechtel BWXT Idaho, were without suitable employment in 2002. Other large businesses in the county also laid off employees citing reasons tied to the sluggish national economy. The increase in the rate could have been much larger had the economy not been able to absorb much of this activity.

Northeast Idaho Table 1: Labor Force & Employment  
Bonneville, Bingham, Butte, & Jefferson Counties

	Projected 2002	2001	% Change From Last Year
INDIVIDUALS BY PLACE OF RESIDENCE			
Civilian Labor Force	82,520	80,000	3.2
Unemployed	3,030	3,010	0.7
% of Labor Force Unemployed	3.7	3.8	
Total Employment	79,490	76,900	3.2
JOBS BY PLACE OF WORK			
<b>Nonfarm Payroll Jobs**</b>	62,350	62,290	0.1
<b>Goods-Producing Industries</b>	9,630	9,550	0.8
Mining & Construction	4,350	4,230	2.8
Manufacturing	5,280	5,320	-0.8
Food Processing	2,850	2,910	-2.1
Industrial & Commercial Mach. & Comp. Equip.	460	440	4.5
All Other Manufacturing	1,970	1,970	0.0
<b>Service-Producing Industries</b>	52,720	52,740	0.0
Transportation & Comm., & Utilities	2,340	2,380	-1.7
Wholesale Trade	5,680	5,640	0.7
Retail Trade	11,040	11,150	-1.0
Finance, Insurance & Real Estate	1,930	1,890	2.1
Services	21,120	20,940	0.9
Government Administration	5,450	5,510	-1.1
Government Education	5,160	5,230	-1.3

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month.

The other six counties in Northeast Idaho generally experienced decreases in the unemployment rate in 2002 compared to 2001. However, one county did show an increase; Teton County's unemployment rate increased 1.1 percentage points in 2002. Teton County was affected by the national economy due to its high volume of tourists, but sales tax receipts show that sales had begun to increase starting in the fall of 2002.

## EMPLOYMENT TRENDS

*Nonfarm Payroll Jobs* increased slightly in 2002 with the addition of 60 jobs. The small growth in the number of jobs in the labor market area is indicative of the sluggish economy. Only two industries are forecast to have job growth in excess of 100—*Construction* and *Services*. The addition of more than 300 jobs in the *Business Services* and 200 jobs in *Hospitals* were offset by the loss of nearly 400 jobs in *Engineering, Accounting, Research, Management, & Related Services*. The decrease in the number of jobs was the result of the layoffs at the Idaho National Engineering and Environmental Laboratory. The

changes in these industries resulted in an increase of 180 jobs in *Services*. The number of jobs in *Construction* grew by 120. The majority of those were in *Heavy Construction* where projects such as the Snake River bridge north of Blackfoot and a contract for road work with Yellowstone Park have kept many employed. Year-over-year decreases in *Nonfarm Payroll Jobs* consisted of the following:

- *Retail Trade* showed a net loss of 110 as both the *Food Stores* and *Eating & Drinking Places* industrial sectors lost nearly 80 jobs each. The loss could not be offset by job gains in the *Building Materials, Hardware, and the Garden Supply & Manufactured Home Dealers* sector.
- *Government* lost 130 jobs which were almost evenly split between the *Education* and *Administration* sectors.
- *Food Processing* showed a loss of 60 jobs with 30 jobs lost in *Canned, Frozen, Preserved Fruits, Vegetables & Food Specialties* and the other 30 jobs in meat, dairy, and beverage processing.

Northeast Table 2 shows changes in other economic indicators throughout the LMA and Northeast Idaho. Data for the Bonneville LMA showed a 1.1 percent increase in population from the 2000 Census to July 1, 2001; Bonneville County accounted for almost 1,300 of the 1,791-person increase. Butte County experienced a population decrease of 43 persons. Total sales in the LMA (as collected by the Idaho State Tax Commission) totaled over \$2.5 billion in 2002, an increase of \$377 million from 2001. The total number of employers covered by Idaho's Unemployment Insurance law decreased by ten when the second quarters of 2002 and 2001 were compared. However, the total num-

ber of employees increased by 608 in the same time period. This indicates that existing companies most likely absorbed employees affected by closing businesses and mergers.

Economic indicators for Northeast Idaho (which does not include Bingham County) are generally positive. Population increased by 1,647 from April 2000 to July 2001. This change was 144 less than the population growth in the LMA since five of the nine counties showed decreases over the time period. Total sales increased by almost \$15 million from 2001 to 2002, which was a smaller increase than the LMA experienced. While the number of employers covered by Idaho's Unemployment Insurance law increased by seven, the total number of employees decreased by 72 when the second quarters of 2001 and 2002 were compared.

Northeast Table 3 on page 33 indicates that between 2000 and 2001 the annual average wages increased in all counties with the exception of Lemhi County, which showed a decrease of 3.3 percent after losing many well-paying mining jobs. Butte County showed a 12.7 percent increase (\$6,501) over the year, because employment and wages are counted where the job is located rather than where the worker lives. While INEEL is the largest, well-paying employer in the county, the largest percentage of INEEL employees commute from bordering counties, mostly Bonneville County, so their wages are not accounted for in Butte County. Since both Butte and Teton Counties have commuting patterns out of the norm for most counties, their annual average wages are difficult to determine. All counties, with the exception of Lemhi County, showed increases larger than the state for the same time period.

Northeast Table 2: Economic Indicator Changes 2001-2002							
County/LMA	April	7/1/2001 Population	Numeric Change	Percent Change	2002 Total Sales	2nd Qtr 2002	2nd Qtr 2002
	Census Population					Covered Employers	Number Employed
Bingham	41,735	42,335	600	1.4	\$ 602,749,059	973	13,926
Bonneville	82,522	83,807	1,285	1.6	\$ 1,682,667,383	2,945	41,235
Butte	2,899	2,856	-43	-1.5	\$ 18,188,461	124	4,959
Jefferson	19,155	19,578	-51	-5.0	\$ 291,820,004	495	5,098
<b>Bonneville LMA</b>	146,311	148,576	1,791	1.4	\$ 2,595,424,907	4,537	65,218
Clark	1,022	971	-50	-1.2	\$ 30,987,368	42	478
Custer	4,342	4,292	3	0.0	\$ 73,164,982	217	1,562
Fremont	11,819	11,822	423	2.2	\$ 109,429,580	355	3,039
Lemhi	7,806	7,606	-200	-2.6	\$ 126,650,996	373	2,421
Madison	27,467	27,327	-140	-0.5	\$ 431,817,265	624	11,576
Teton	5,999	6,419	420	7.0	\$ 484,781,501	323	1,892
<b>Northeast Idaho</b>	163,031	164,678	1,647	1.0	\$ 3,249,507,540	5,498	72,260

Northeast Table 3: Annual Average Wages

County/LMA	2001	2000	Numeric Change
	Annual Avg Wages	Annual Avg Wages	
Bingham	\$ 23,419	\$ 22,554	\$ 866
Bonneville	\$ 27,096	\$ 26,652	\$ 444
Butte	\$ 57,510	\$ 51,009	\$ 6,501
Clark	\$ 20,811	\$ 20,428	\$ 384
Custer	\$ 24,060	\$ 23,653	\$ 408
Fremont	\$ 22,301	\$ 21,517	\$ 784
Jefferson	\$ 19,689	\$ 19,550	\$ 139
Lemhi	\$ 21,048	\$ 21,763	\$ (715)
Madison	\$ 19,368	\$ 19,067	\$ 301
Teton	\$ 20,296	\$ 19,087	\$ 1,209
<b>State</b>	<b>\$ 27,766</b>	<b>\$ 27,712</b>	<b>\$ 54</b>

While most economic indicators show positive growth, there are still concerns for many rural areas. Decreases in sales, population, and employment weigh heavily on most of the rural counties. Though 2002 was somewhat of an anomaly in this area, with the struggling national economy causing some of the changes, progress still is being made. Unemployment rates in seven of the nine counties decreased over the year. Much of this can be attributed to dedicated economic development specialists who have become aware of grants and other funding sources that have helped with development opportunities. There have also been sizeable investments in business parks, and a few companies in the area have found a valuable workforce in rural counties.

## 2002 YEAR-IN-REVIEW

Some highlights in Northeast Idaho include the following:

- Health care experienced an increase in the number of workers as Eastern Idaho Regional Medical Center and Madison Memorial Hospital finished their expansions and increased services. In addition, the smaller Mountain View Hospital opened in Idaho Falls. Health services continue to be a priority in counties such as Lemhi and Teton.
- Call centers continued to be a strong economic force in Northeast Idaho, but have had layoffs and limited hiring during 2002. A new call center, Midwest Marketing International, opened in Rexburg in 2002. The company places customer service calls to clients who already use products to treat depression and anxiety, and promotes stress management courses. The center currently has 12 to 14 employees, but is ex-

pected to eventually employ up to 200 workers.

- The Sacajawea Interpretive, Cultural, and Education Center in Salmon is expected to be completed in the first half of 2003 to coincide with the national celebration of Lewis and Clark's expedition. A \$2.2 million business park / incubation center in Salmon should also be finished and ready for tenants in 2003.
- Collaborative Genetics, Inc. opened in Rexburg and has set up an intern program with Brigham Young University – Idaho. Although still small, the biotechnical company expects to add employees over time. The company has started with a 5,600-square-foot building in the Rexburg Business Park. Collaborative Genetics, Inc. develops diagnostic test strips to determine anthrax and botulinum toxins from bodily fluids.
- Two of the eventual twenty-plus buildings were completed in the 45-acre professional business park, Taylor Crossing on the River, in Idaho Falls. Construction of a third building is underway, and a road and roundabout are in operation in this multi-million dollar development that is expected to continue growing over the next eight years. It is a uniquely themed development that adds new life to the city.
- Many construction projects have been announced and/or are underway in Bonneville County. Corporate Express has expanded their four-state distribution center and retail store, Melaleuca's built a new warehouse and shipping building, Anheuser Busch expanded, and Grupo Modelo, Mexico's top brewer, began construction of a malt plant. This is the Grupo Modelo's first operation within the United States. A Super Wal-Mart and an Albertsons Supercenter were also built.
- The INEEL experienced some activities of note in 2002. After completing the last of 24 involuntary layoffs earlier in 2002, Bechtel BWXT Idaho continues to hire employees to ensure the operation of all units. BNFL, the advanced mixed waste treatment facility, is just starting operation after hiring and training workers in 2002. Argonne and Bechtel BWXT are expecting changes in their missions soon, which should add to stability for the future. They are both awaiting federal approval and finalization of contracts before determining their next steps.

- The Rexburg Chamber of Commerce took over the grant administration and information distribution for Region VI of the Idaho Department of Commerce, and became the hub for tourism information. The Chamber handles information requests for the same nine counties that comprise the Northeast Idaho area. The office is located at 420 West Fourth South in Rexburg.
- With the help of grants from the Economic Development Agency and the East Central Idaho Planning and Development Association (ECIPDA), St. Anthony is working on razing six buildings in a downtown revitalization effort. Soon ECIPDA and the city will build two new buildings. One will house a distance-learning center for Eastern Idaho Technical College, along with a 25-student classroom to be shared with ML Technologies. The other building will be used for start-up businesses and will house six to eight offices. The additional space will become a parking lot for ML Technologies.
- Brigham Young University-Idaho has seen nothing but growth. The university again enjoyed a record-breaking number of registrations for its fall semester at over 10,700 students. New fields of study are continually being added as classroom space and instructors become available. The university is keeping pace with the growth by handling a plethora of

construction projects. Included in these are married student housing, remodeling of several buildings, and the addition of a new Student Health and Counseling Center. The Gordon B. Hinckley Building was recently finished and includes a chapel, gymnasium, multipurpose area, two full kitchens, and numerous classrooms.

- Sabia, Inc., a company that manufactures and services mineral material analyzers, opened in 2002 in the Innovation Center on Yellowstone in Idaho Falls. The company manufactures machines that analyze non-homogeneous materials on-site at a fraction of the cost that most companies have traditionally paid. Sabia expects to produce 100 units and expand its number of employees from three to ten in 2003. The company expanded to Idaho Falls from California.
- The Idaho Falls Regional Airport finished the middle section of the airport, the second of three phases of construction. It now has new jet bridges that will allow the airport to accommodate smaller commuter planes and jets along with 737s.

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## State Overview—(Continued from page 5)

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Most analysts agree that this is a result of the September 11 terrorist attacks, which is substantiated by the non-employment data that is collected by other agencies.

*Government* at all levels provided about one in every five *Nonfarm Payroll Jobs* in 2002 and 1,900 such jobs were added for the year. *Government Education* comprises 46.7 percent of *Government* employment, including federal civilian jobs. *Education* employment typically conforms to population growth/decline although there can be long lag times in the reaction times. *Local Government Administration* counts tribal employment, including casinos.

Though 2002 was not a disaster for the economy in terms of employment, some industries had to confront rather sudden downturns while other declines were a result of long-term trends. Some industries kept pace with the general employment trends and several had

growth rates significantly above the average for the state. The overall picture for the state's economy is one of a slow, but eventual, recovery and growth in those industries that experienced sudden downturns, while the natural resource industries of *Mining* and *Lumber & Wood Products* will continue to stagnate. As Idaho's economy slowly becomes more like the national economy, national economic conditions will continue to have strong influences within the state.

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